

Senate Bill 991 and the Information Technology Fund

Better Planning, Budgeting and
Management of North Carolina's
Information Technology

State CIO's Dual Roles

- Much like a Cabinet secretary, State CIO heads the Office of Information Technology Services (ITS).
 - Roughly 400 employees and \$150 million annual budget approved by State Budget Office
 - Provides services to state agencies on a fee-for-services basis
- State CIO also has statewide responsibilities that cut across executive branch agency lines.

Statewide Responsibilities

- SB 991, passed in 2004, expanded and clarified the State CIO's statewide responsibilities
- Duties include:
 - Approval and monitoring of major IT projects
 - IT procurement
 - Review of IT expansion budget requests
 - State network infrastructure and security

SB 991

- Sent a strong signal that the Legislature wanted better planning, budgeting and management of IT
- Also wanted more accountability
- Major areas:
 - Project Management
 - Procurement
 - IT Fund
 - Planning, budgeting and project approval
 - Biennial IT Plan
 - Consolidation

Project Approval/Management

- SB 991 gave State CIO responsibility for approving IT projects costing more than \$500,000
- Project management assistants required on all projects that require approval by State CIO
- CIO has discretion to assign project management assistant to any project.

Project Approval/Management

- Enterprise Project Management Office established
- More than 66 active projects being monitored with a total estimated cost of more than \$678 million
- Benefits:
 - Higher level of support
 - Earlier identification of potential problems

Procurement

- SB 991 clarified State CIO's responsibilities in procurement and provided some additional tools.
- Saved agencies \$8.4 million over the past 15 months by consolidating requisitions for desktop and laptop PCs and printers and putting them up for bid
- Savings of almost 50 percent in January purchase of laptops and desktops

IT Fund

- Created in SB 991 to help meet statewide requirements
 - Planning
 - Project management
 - Security

IT Fund 2004-2005

- \$7.5 million appropriated
 - \$2.7 million to State Controller for Business Infrastructure Project
 - \$4.8 million to ITS
 - Established Enterprise Project Management Office to monitor projects
 - Began addressing needs identified in 2004 security assessment
 - Continued study of state's aging applications
 - Acquired software and began implementing statewide portfolio management initiative
 - Began providing legal support for Statewide IT Procurement

IT Fund 2005-2006

- \$34.9 million appropriated
 - \$20.9 million to State Controller for Business Infrastructure
 - \$13.5 million to ITS
 - Continue previous initiatives
 - Enterprise license agreements
 - Reduce subsidies

Biennial IT Plan

- Submitted to General Assembly in February 2005, as required by law
- Two broad recommendations:
 - Statewide approach for common IT functions, leaving agencies to focus on their specific program needs
 - A comprehensive framework for managing IT assets, from planning to purchase to retirement

Biennial IT Plan

- Funding priorities
 - Statewide Business Infrastructure Program
 - Effort led by State Controller Robert Powell to upgrade state's core business systems
 - Implement and continue IT Fund initiatives

Consolidation

- SB 991 required Budget Office and others to develop a plan for IT consolidation and efficiencies at both the agency and statewide levels.
- OSBM recommended consolidation of IT infrastructure, or the IT “plumbing.”
- Agencies focus on the applications they need to deliver services.

Portfolio Management

- Initiative that will help with planning, budgeting and management of IT
- Software will provide decision-makers with a valuable tool as they decide how to allocate scarce IT dollars
- Already being used for project approval and project assistance
- Agencies being trained to use in managing applications, programs that are used for specific business purposes

Conclusion

- NC has been talking about better planning, budgeting and management of IT for decades
- Some common themes in every initiative
 - Consolidation of IT infrastructure
 - Better project management
 - Procurement practices that save money
 - Better planning and budgeting for IT projects

Conclusion

- Today, thanks to SB 991 and previous initiatives, we are making demonstrable progress
- I welcome your review and comment, either formally or informally, on these initiatives.
- Questions?